

The Impact of the Bush Budget on Black and Hispanic Families:



Leaving Too Many Behind



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March 27, 2003

The GOP Budget: Leaving Too Many Black and Hispanic Families Behind

While President Bush has used the rhetoric of compassionate conservatism, his budget is more conservative than compassionate. Republicans have talked a lot about reaching out to minority communities, but that is all it is – talk. The Bush budget has shortchanged a number of key priorities that are particularly important to our nation's black and Hispanic families in order to pay for a tax cut for the wealthy. And the House GOP budget is even worse.

The Bush budget fails to invest in key priorities ranging from jobs and the economy to education to health care. Despite our slumping economy, the Bush budget fails to include a real economic growth package while at the same time cutting essential programs that are designed to help our country through hard times. It raids the Social Security Trust Fund to pay for a reckless tax cut, and shortchanges public housing. All this in order to pay for a tax cut that will not create jobs, and will saddle our next generations with debt, threatening long-term economic growth.

This report examines the Bush budget and its effect on the following priorities – showing that these cuts will have a disproportionate effect on minority families.

- ! Jobs and the Economy
- ! Social Security
- ! Health Care
- ! Education
- ! Housing
- ! Homeland Security/COPS
- ! Election Reform

It also quickly highlights the House GOP budget resolution, which narrowly passed last week and is even worse than the Bush budget.

Highlights of the Report Are As Follows:

- ! **Does Nothing to Create Jobs.** The total job loss since President Bush took office has risen to a staggering 2.5 million private jobs. To reverse this trend and jumpstart the economy, Democrats have a real economic growth plan to create 1 million jobs in 2003. In contrast, the Bush economic plan will create only 190,000 this year – less than the number of jobs lost in just the last month. Further, even though the economic slump continues, the Bush budget fails to extend unemployment benefits for the one million Americans who have run out of federal help but are still jobless, cuts job training and employment programs for dislocated workers, and shortchanges small business.

- ! **Makes A Bad Economy Worse.** President Bush is on track to having the worst job creation record of any President since World War II, with 1.7 million African Americans and 1.4 Hispanic Americans unemployed. But, instead of improving the economy, the President's budget creates long-term budget deficits that experts agree threaten economic growth.
- ! **Shortchanges Health Care.** To pay for the tax cuts for the wealthy, the Bush budget underfunds health programs. Even though half of Hispanic Americans and 40% of black Americans do not have health insurance, the Bush budget fails to adequately address the problem of the uninsured, and it also cuts funding for Medicaid coverage for children, low-income seniors, people in nursing homes, and the disabled. Medicaid is key to access to health care for more than 15 million black and Hispanic Americans.
- ! **Shortchanges Education.** Even though there are growing number of minority children in our nation's schools, the FY 2004 Bush budget fails to adequately invest in education. It freezes funding for education, failing to keep up with inflation or growing enrollments, and provides \$9.7 billion less than the amount promised in the No Child Left Behind Education Reform Act. In fact, the Bush budget cuts funding for elementary and secondary education by nearly \$1 billion, with cuts in teacher quality programs, bilingual education, math and reading help for disadvantaged students, and after-school programs that improve the academic performance of black and Hispanic children. It also cuts aid programs that make college affordable for minority students, such as Pell Grants.
- ! **Raids Social Security Trust Fund to Pay for Tax Cuts for the Wealthy.** When the President took office, the government was projected to save every dollar of the Social Security surplus. But under his new \$1.6 trillion tax break plan, the Bush Administration would borrow and spend all of the money from the Social Security Trust Fund over the next 10 years, just as the Baby Boomers are about to retire. This could lead to cuts in guaranteed benefits or raising the retirement age harming our black and Hispanic seniors who are more likely than whites to rely solely on Social Security as their sole source of income.
- ! **Inadequate Prescription Drug Plan Forces Seniors Out of Medicare.** The Bush budget fails to adequately fund Medicare, and would force seniors to drop out of traditional Medicare and join HMOs to get anything even resembling a prescription drug benefit. The Bush budget would cover less than one-quarter of the estimated costs of prescription drugs for seniors over the next decade, even though more than 4.5 million black and Hispanic seniors get health care through Medicare.
- ! **Hurts Black and Hispanic Americans.** Instead of broad-based tax cuts for all Americans, the Bush budget contains tax cuts targeted to the wealthy few. It provides 43% of the benefits to the wealthiest 1% of Americans (who make more than \$350,000 per year), while median Black and Hispanic households would get less than \$30 from the centerpiece of the Bush economic plan – the elimination of the stock dividend tax. With cuts in federal aid to education and health care and no increased aid to states, the Bush budget would worsen the current trend of rising state and local taxes. In fact, working minority families could actually be worse off than they are now.

Fails to Create Jobs & Jumpstart the Economy

The economic downturn has taken its toll on millions of families across the country. There are 2.5 million more unemployed people in America than when President Bush took office.

The economic slump has been particularly hard on minority families. Since January 2001, the unemployment rate for Hispanics has climbed by nearly 33%, from 5.8 percent to 7.7 percent. There are 1.4 million unemployed Hispanics, an increase of 451,000 (45%) since President Bush took office. At the same time, 1 million more Hispanics have dropped out of the labor force.

The unemployment rate for black Americans has climbed 28%, from 8.2 percent to 10.5 percent. In fact, the unemployment rate for blacks is twice that of whites in America. In February, the number of unemployed Black Americans totaled 1.7 million, 387,000 higher than in January 2001. In addition, the number of black Americans dropping out of the labor force has increased by 630,000.

And yet the President's budget does nothing to create jobs. Even by their own estimates, the Bush plan will create only 190,000 this year – less than the number of jobs lost in just the last month. In contrast, Democrats have an economic plan to create one million jobs this year.

Instead, the budget includes the Bush tax plan which will only make a bad economy worse. Since January 2001, the economy has lost on average more than 73,000 jobs a month and President Bush is on track to having the worst job creation record of any President since World War II. Instead of improving the economy, the President's new budget creates long-term budget deficits, totaling \$1.8 trillion over the next 10 years, that more than 400 economists, as well as Federal Reserve Chairman Alan Greenspan, agree actually threaten economic growth.

Instead of creating jobs, the Bush tax plan targets tax cuts to the wealthiest taxpayers. The top 1% will get 43% of the tax cuts, and most Americans would get very little – certainly far less than Bush has claimed. This is particularly true for minority families. The House Government Reform Committee released a report concluding that “the tax cuts received by black and Hispanic taxpayers would be significantly smaller than the tax cuts received by white taxpayers.” The report finds that the tax savings that would be received by typical black and Hispanic taxpayers would be 35% to 40% less than the tax savings that would be received by typical white taxpayers. In fact, the average tax cut for black and Hispanic households would be less than \$1 per day.

This is particularly true for the centerpiece of the President's so-called “growth” package – the elimination of the tax on stock dividends. According to the Government Reform Committee minority staff report, the President's proposal to cut dividend taxes would benefit blacks and Hispanics 50% to 60% less than typical white households. In 2003, this proposal would give taxpayers with the median income for black households an estimated average of \$25, while for Hispanic households that number would be \$30.

Not only does the Bush budget fail to create jobs and threaten economic growth, it also makes budget cuts

that will reduce employment opportunities and reduce investment in minority communities, and refuses help to those who have lost their jobs.

The Bush Budget Reduces Small Business Assistance. In the FY 2004 budget, the Bush Administration fails to adequately fund vital small business loan programs. Small business is the backbone of the economy producing 75% of all new jobs, and employing more than one-half of the private workforce. According to the SBA, minority and women-owned businesses are the most rapidly growing segments of the business community. Minority-owned firms have been growing at four times the rate of all firms in the U.S. economy, increasing from 2.1 million to 2.8 million firms from 1992 to 1997. (*Census Bureau, 7/12/01*) These firms have seen their receipts grow 60% to \$335 billion, and they make up 15% of all firms. African American owned businesses totaled 823,500 and generated \$71.2 billion in revenues, and Hispanic-owned businesses totaled 1.2 million and generated \$186.3 billion in revenues in 1997. (*Census Bureau, 3/22/01*)

In part, minority business success is due to the availability of assistance from the Small Business Administration. And yet President Bush is making significant cuts to the SBA, which will harm the start-up of minority-owned businesses. The Administration's proposed \$9.4 billion for the 7(a) loan program is almost \$3 billion (25%) below FY 2002 funding. These loans are the core of federal aid to the small businesses that drive our economy. Further, the Administration is continuing last year's policy of capping small business loans.

In addition, the Bush Budget provides no funding for the Program for Investments in Microentrepreneurs (PRIME), which assists low-income and minority-owned businesses with investments. The budget also eliminates funding for the BusinessLINC, a mentoring program for small businesses in low-income areas, and the One-Stop-Capital-Shops (OSCS), which offers free counseling and assistance to local businesses. It also cuts the Microloan Program -- which provides loans to the smallest businesses who cannot access capital through traditional markets -- almost in half.

At the same time that the Bush budget makes these spending cuts, it targets only 3% of the "economic growth" package to small enterprises. The bulk of the tax cuts is aimed at repealing the tax on corporate dividends -- which favors investment in big business over small business. In fact, the House Small Business Committee Democratic staff reports that "the repeal of the dividend tax cut and overall cost of the plan will have a negative impact on investment in small business and their ability to access capital."

Adult and Youth Employment Training. As the country struggles out of an economic recession, the President's budget slashes appropriations for job training and employment programs \$179 million below the 2003 enacted level and \$259 million below the amount needed to maintain purchasing power at the 2003 level. The Bush budget cuts three programs (adult training, dislocated workers, and the Employment Service state grants) by \$60 million below the 2003 enacted level, and essentially freezes funding for youth employment activities at the 2003 enacted level. It also eliminates funding for the National Farmworker Job Program, which provides training, housing, and medical care for agricultural workers, the vast majority of whom are Hispanic.

The FY 2004 Bush budget also makes other cuts that could reduce business investment and economic development in minority communities, including the following:

- ! **Community Development Block Grant (CDBG) Program Cut.** Community Development Block Grants provide funds for programs and activities that promote economic development in low- and moderate-income communities. The President's budget cuts CDBG by \$173 million from the 2003 enacted level, and \$256 million below the amount needed to maintain purchasing power at the 2003 level.
- ! **Community Development Financial Institutions (CDFI) Fund Cut.** The CDFI program provides grants, loans, and other assistance to promote investment in economically-distressed areas. The budget cuts CDFI 32.9 percent below the amount needed to maintain purchasing power at the 2003 level.
- ! **Empowerment Zones Eliminated.** The budget eliminates urban and rural empowerment zones. Empowerment Zones target funds to revitalize economically distressed urban and rural communities and attract private investment in those communities. The budget eliminates urban and rural empowerment zones.

Does Not Extend Federal Help for the Unemployed. Thanks to Democratic efforts, there is a temporary program of 13 weeks of fully federally funded extended unemployment benefits to workers who exhaust their regular state unemployment benefits. This program will start phasing out in June. The budget does not include any expansion of this program to help the 1 million workers who have already exhausted all federal help and remain unemployed. By contrast, the House Democratic Economic Stimulus Plan guarantees all jobless workers at least 26 weeks of extended benefits and expands access to unemployment benefits for workers who are low-wage earners or who work part time.

Raids Social Security Trust Fund & Saddles the Next Generation with Debt

When the President took office, the government was projected to save every dollar of the Social Security surplus. In fact, there was a projected \$5.6 trillion 10 -year surplus. But under his new tax break plan, the Bush Administration would borrow and spend all of the money from the Social Security Trust Fund over the next 10 years, just as the Baby Boomers are about to retire – at the same time burying the next generation in a sea of red ink amounting to \$1.8 trillion over 10 years.

This will lead to cuts in guaranteed benefits or raising the retirement age for Social Security. In fact, the long-term cost of the Administration's tax cuts is *more than three times* the entire long-term Social Security shortfall. [CBPP, 3/5/03]

This raid on Social Security would be particularly harmful to minority seniors, because Social Security plays a key role in lifting black and Latino seniors out of poverty. Without Social Security, the poverty rate for Hispanic seniors would increase from 16 percent to nearly 55 percent. For black seniors, the poverty rate would increase from 21 percent to 60 percent. (Social Security Administration, *Income of the Population 55 or Older*, 2000)

Cuts in Health Care

Inadequate Prescription Drug Plan That Forces Seniors Out of Medicare. The Bush Administration has unveiled a plan that would force seniors to drop out of traditional Medicare and join HMOs and other private health plans in order to get anything that even resembles a prescription drug benefit. Seniors' groups have stated that the \$400 billion in the Bush budget is inadequate, less than one-quarter of the amount CBO projects that seniors will spend over the next 10 years. We should provide seniors a real, meaningful prescription drug benefit under Medicare, and not end Medicare as we know it.

Medicare and prescription drug coverage is important to black and Hispanic seniors. More than 4.5 million black and Hispanic seniors get their health care through the Medicare program, and that number will balloon over the next 25 years. In fact, by 2025, the Census Bureau estimates that racial and ethnic Americans will more than double as a share of the elderly rising from 14% to 35%. Further, prescription drug coverage is critical as black and Hispanic Medicare beneficiaries have higher than average health needs. Minority seniors suffer a high incidence of chronic illnesses, such as diabetes and cardiovascular disease, which require high-cost prescription medicines.

Access to health care is a critical issue for black and Hispanic Americans. Overall, more than 40% of non-elderly African-Americans (12.5 million) and more than 50% of non-elderly Hispanic Americans (18.5 million) had no health insurance in 2001-2002. (Nearly One in Three, 3/2003) That is why Medicaid, which provide healthcare coverage to low-income Americans, is critical to minorities. The most recent data show that 9.8 million blacks and 6.4 million Hispanic need Medicaid to get access to health care. (1998 state reported data, from Medicaid 2002 reports)

Minority children face obstacles in getting the health care they need. In 2001, there were 9.2 million uninsured children, the majority of them minorities: 36% were Hispanic and 18% were black. In fact, 4.5 million black children get health coverage through Medicaid or SCHIP (the federal health program for children), and 4.7 million Hispanic children get healthcare through Medicaid or SCHIP. In fact, black and Hispanic children were twice as likely to get health services through Medicaid or SCHIP than white children. (Congressional Research Service)

Not only does the Bush budget fail to adequately address the problem of the uninsured, but it also cuts funding for Medicaid coverage for children, low-income seniors, people in nursing homes, and the disabled. Despite the ongoing problem of the uninsured and rising health care costs, the Administration's overall funding for Medicaid and SCHIP is actually cut by \$3.2 billion over ten years. In addition, the budget proposes radical changes to Medicaid, in essence dismantling Medicaid's guarantee of health care for low-income individuals. It will also encourage states to block grant Medicaid and SCHIP programs which may lead to benefit and eligibility cuts to these low-income people.

! **Cuts Office of Minority Health.** The President's budget cuts funding for the Office of Minority Health by 17% from the FY 2003 appropriation. This office supports disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns that cause the high rate of death in racial and ethnic minority communities.

- ! **Cuts Substance Abuse Prevention Activities.** The Bush budget funds substance abuse activities at \$148 million, a cut of \$49 million (24.9%) below the FY 2003 enacted level and a cut of \$53 million (or 26.2%) below the amount needed to maintain purchasing power at the FY 2003 level.
- ! **Eliminates Community Access Program (CAP).** While the Bush administration has touted an increase of \$149 million for Community Health Centers, the Bush budget eliminates the \$104 million Community Access Program for the uninsured. The Community Access Program funds grants to coordinate health care services for the uninsured offered by community providers such as public hospitals, community health centers, and disproportionate share hospitals.
- ! **Cuts Ryan White AIDS Programs.** For 2004, the budget funds Ryan White AIDS programs at \$2.0 billion, a decrease of \$18 million (0.9 percent) below the amount needed to maintain purchasing power at the 2003 level. This is particularly important as the black and Hispanic communities are at high risk for AIDS. Specifically, African Americans accounted for half of the new HIV cases in 2001, while Hispanic Americans accounted for nearly 20% of the new cases.

Shortchanges Education

Education is the key to opportunity in America. Hispanic children make up a growing portion of elementary and secondary school children. In 1986, Hispanic students made up less than 10% of the enrollment, but that climbed to more than 15% in 1999, and that number is expected to grow. Latinos are the fastest growing and youngest segment of our population. The Education Department's 2000 Baby Boom Echo Report shows that Hispanics make up 7.9 million of our school-aged children, and will increase 60% over the next 20 years to 12.7 million. The number of black school-aged children is expected to rise by 3% over the next 20 years. By 2100, about 64 percent of children are expected to be from minority groups.

Schools with high concentrations of black and Latino students are often in resource-deprived inner cities or rural communities. Schools in these settings are more likely to have overcrowded classrooms, inadequate technology, and deteriorating and unsafe conditions. Black and Latino students lag behind their elementary school peers in reading, math, and science proficiency, as well as in standardized tests. Tutoring, after-school programs, and Title I programs are some of the most effective initiatives to provide assistance to students who need the extra help.

- ! **The Overall Freeze of Education Spending at the FY 2003 Level Disguises Numerous Education Cuts.** The FY 2004 Bush budget fails to adequately invest in our nation's future – our children. The budget freezes funding for education, failing to keep up with inflation or growing enrollments, and provides \$9.7 billion less than the amount promised in the No Child Left Behind Act. In fact, the Bush budget cuts funding for elementary and secondary education by nearly \$1 billion, with cuts in teacher quality programs and after-school programs to keep our kids safe. It also cuts student aid programs that help make college affordable, such as Pell Grants and Perkins loans.

- ! **Cuts Teacher Quality Programs.** The No Child Left Behind Act mandates that every teacher of an academic subject be highly qualified. Yet the FY 2004 Bush budget proposes to freeze the Teacher Quality State Grant Program at its FY 2002 enacted level of \$2.85 billion. Because Congress increased funding for the program by 2.8% in FY 2003, the Bush budget would result in a \$81 million cut in FY 2004. This reduction translates into a loss of high quality professional development for approximately 35,000 teachers. Overall, the Bush budget cuts education programs focused on improving teacher instruction by \$245 million or 5.3% below FY 2003.

- ! **Slashes After-School Programs.** The Bush budget slashes the After-School program by \$394 million, 40% below the FY 2003 enacted level. Under the Bush budget, funding for the After-School program would drop from \$994 million in FY 2003 to \$600 million in FY 2004. This cut would result in approximately 525,000 disadvantaged children losing the opportunity to benefit from federally-supported after-school academic and enrichment activities. That means that during the peak hours of juvenile crimes (3:00 p.m.- 8:00 p.m.) more high-risk children will be without supervision or organized activities. According to a study by the Mathematica Research Corporation, after-school programs “are already boosting academic performance, especially for African Americans and Hispanics,” said Sanford Newman, President of *Fight Crime: Invest In Kids*. [[New York Times](#), Bob Hebert, 2/13/03; [FightCrime.org](#), 2/3/03]

- ! **Shortchanges Disadvantaged Students (Title I).** The Bush budget provides \$6.15 billion less than the amount authorized for Title I in the No Child Left Behind Act – shortchanging disadvantaged students who need math and reading assistance. This will leave behind 2.2 million disadvantaged children.

- ! **Migrant Education HEP/CAMP.** The Bush budget cuts funding High School Equivalent Program/College Assistance Migrant Program to prevent high school dropout and keep students in college through their first year, by 28% from the amount appropriated for FY 2003.

- ! **Cuts Bilingual Education/ English Language Acquisition State Grants.** According to NABE, the limited English proficient students totaled 4.5 million last year – 10% of the total public school population, and that number is rapidly increasing. Over the last 20 years, the number of children with limited English skills has quadrupled, according to the Education Department. Despite these growing needs, the FY 2004 budget cuts funding for the English Language Acquisition State Grant program by \$21 million from the FY 2003 funding level.

- ! **Eliminates Funding for the Dropout Prevention Program.** The FY 2004 Administration budget eliminates funding for the dropout prevention program, despite the fact that Hispanic students have the highest drop out rate.

- ! **Fails to Make College More Affordable/Cuts in Higher Education.** Not only does the Bush budget shortchange elementary and secondary school children, it also fails to make college more affordable. The Bush budget proposes to cut the maximum Pell grant from \$4,050 in FY 2003 to \$4,000 in FY 2004. Pell Grants are key to helping black and Hispanic young people get to college.

In fact, more than 45% of black and 40% of Hispanic students at four-year public colleges and universities depend on Pell Grants to make college affordable. (CRS estimates based on National Postsecondary Student Aid Study, Department of Education, 1999-2000) Over the past 25 years, the value of Pell Grants has eroded greatly. Specifically, the Pell maximum award has fallen from 84% of public four-year costs in 1975-76 to 39% in 1999-2000. (Access Denied, A Report of the Advisory Committee on Student Financial Assistance, February 2001)

- ! **Cuts in Campus-Based & Direct Student Aid.** In addition, the Bush budget cuts campus-based student aid programs by eliminating both federal capital contributions for Perkins revolving loan funds (\$99 million in FY 2003) and LEAP grants that encourage states to invest in need-based aid (\$67 million in FY 2003). The Bush budget also cuts SEOG (Supplemental Education Opportunity Grants) funding by \$35 million or 4.6% below FY 2003. In total, these reductions would eliminate more than 154,000 student aid awards. The budget eliminates four student aid programs and cuts other direct aid to students, cutting TRIO by \$25 million and GEAR-UP by \$8 million below the 2003 enacted level. These two programs are important to minority students as they support early college preparation and fund postsecondary education outreach and student support for disadvantaged students.
- ! **Cuts Aid to Higher Education Institutions.** The budget increases funding only for Historically Black Colleges and Universities to \$224 million, an increase of only 3.0 percent above the amount needed to maintain purchasing power at the 2003 level. This amount is far less than the average increase in the previous five budgets of 15%. Further, the budget essentially freezes funding for the Historically Black Graduate Institutions (\$53 million) and for Hispanic-serving Institutions (\$94 million) at the 2003 enacted level. At a time when we encourage minority students to get more education, we must provide the funds to make that dream possible.

No Real Increase in Head Start. The budget fails to provide any real increase for Head Start, despite the fact that Head Start only served 54% of eligible three and four-year-olds in 2001. Instead, the Bush budget maintains funding at the 2003 level, adjusted for inflation, while gutting the comprehensive health, education and nutrition services provided to disadvantaged children in the Head Start program. This program is crucial for minorities. Of the more 912, 345 children in the program in FY 2002, nearly one-third of them were black and nearly 30% were Hispanic with services dedicated to migrant workers and their families. (*Health and Human Services Department, 2/2003*)

Cuts in Public Housing

The President's budget makes many cuts in public housing, even though these funds are critical to make it possible for 1.7 million low-income families to have homes. More than 45% of these residents are African-American, and nearly 20% are Hispanic. (HUD's Multifamily Characteristics Report)

- ! **Eliminates Funding for Rehabilitation of Distressed Public Housing.** The Bush budget eliminates funding for the HOPE VI program, which replaces distressed low-income housing with new strong community housing that includes tenants from a range of income levels.

- ! **Cuts Funding for Critical Repairs to Public Housing.** The Bush budget cuts funding for the public housing capital fund by \$71 million below the FY 2003 enacted level and \$117 million below the amount needed to maintain purchasing power at the FY 2003 level.
- ! **Bush Proposed Increasing Rents For Thousands Who Receive Federal Housing Aid.** In his 2004 budget, President Bush proposed raising the rent on families that receive federal housing aid, by increasing minimum rent requirements for public housing and section 8 vouchers. [*New York Times*, 2/11/03]

Fails to Put Homeland Security First & Cuts COPS

While the threat of terrorism continues, the Bush budget provides \$4 billion less than non-partisan experts have said is needed to adequately address the nation's glaring vulnerabilities, freezing funding at current levels. It fails to fully fund first responders – police, firefighters, and emergency medical services – failing to provide the \$3.5 billion in new money that they so desperately need. The Bush budget also underfunds other homeland security needs such as the Transportation Security Agency, requesting no specific funding for port security grants.

- ! **Slashes the COPS Program, Including Eliminating the Police Hiring Grants.** The Bush budget proposes slashing funding for the COPS program in FY 2004 by \$765 million – a cut of 83%. Under the Bush budget, funding for the overall COPS program would fall from an enacted level of \$923 million in FY 2003 to \$158 million in FY 2004. Among its many cuts within the overall COPS program, the budget eliminates the police hiring grants. The Bush Administration is proposing to slash the COPS program even though the COPS program has been one of the most successful federal programs ever created and is strongly supported by the nation's law enforcement groups.
- ! **Also Slashes Other Law Enforcement Assistance to State and Local Governments.** The Bush budget also slashes other law enforcement assistance to state and local governments. For example, the Bush budget eliminates the Local Law Enforcement Block Grant (funded at \$397 million in FY 2003) and the state-based Byrne Formula Grant program (funded at \$647 million in FY 2003) and replaces them with a new Justice Assistance Grant program. However, the Justice Assistance Grant program is funded only at \$586 million – therefore meaning a cut in this type of funding of \$458 million – or a cut of 44%.

Fails to Keep the Promise of Election Reform

In its budget for FY 2004, the Administration calls for \$500 million in funding for election reform, even though the Help America Vote Act authorizes at least \$1.55 billion for grants to states, payments to states and localities to ensure that everyone vote is accurately counted. The next general election is less than two years away, and states and localities must begin to upgrade their election systems without delay. It is imperative to fully fund this crucial legislation to protect every citizen's right to vote and to have his or her vote counted.

HOUSE GOP BUDGET: EVEN WORSE THAN THE BUSH BUDGET!

On March 20, House Republicans narrowly passed a House GOP budget resolution that is even worse than the highly-inadequate Bush budget! The House GOP budget calls for cutting domestic discretionary spending by \$10 billion in FY 2004 and by \$115 billion over 10 years BELOW the already-inadequate Bush budget, and also requires \$265 billion in cuts in programs such as education, veterans, Medicare, Medicaid and agriculture. The following talks about the highlights of the GOP budget, and some of the ways in which it worse for minority families than the Bush budget.

- ! **Does Nothing to Create Jobs and Makes a Bad Economy Worse.** Like the Bush budget, the House GOP budget does nothing to create jobs. The total job loss since President Bush took office total 2.5 million private jobs, and yet, the House GOP budget simply incorporates the Bush economic plan, which will create only 190,000 jobs this year – less than the number of jobs lost in just the last month. More jobs are the only answer for the 1.7 million African Americans and 1.4 million Hispanic Americans who are currently unemployed. Further, even though the economic slump continues, the House GOP budget follows the Bush budget, which fails to extend unemployment benefits for the one million Americans who have run out of federal help but are still jobless, and cuts job training and employment programs for dislocated workers. Instead of creating more jobs and improving the economy, the House GOP incorporates the President's proposed tax cuts, which could create long-term budget deficits that threaten long-term economic growth.
- ! **Shortchanges Small Businesses.** Small businesses have been important to the economic success of black and Hispanic Americans; in fact, black and Hispanic-owned small businesses are some of the fastest growing in the country. However, like the President's budget, the GOP budget essentially freezes funding for the Minority Business Development Agency, which promotes the growth and development of minority-owned business. Overall, the GOP budget cuts domestic discretionary funding 2.9% below the President's budget, and this could leave small business programs even more vulnerable to cuts. The FY 2004 funding in the GOP budget for commerce and housing programs, including small business, is \$4 million less than the President's budget.
- ! **Cuts Education.** The GOP budget cuts education and training by \$2.1 billion in FY 2004 and by \$25.7 billion over 10 years below the Bush budget in discretionary funding. If these cuts were applied across-the-board, they could result in an 11% cut in No Child Left Behind Act/Education Reform programs, a cut of 28,000 disadvantaged children from the Head Start program, and a \$100 reduction in the maximum Pell Grant award. On top of that, the GOP budget calls for a \$9.4 billion cut over ten years in mandatory education and training programs that would mainly affect student loan and child nutrition programs, which are critical to minority students. This could result in denying 1- 2 million poor children access to school nutrition programs.

- ! **Cuts Health Care.** The GOP budget cuts discretionary health care programs by \$1.6 billion in FY 2004 and by \$17.1 billion over 10 years below the Bush budget. These cuts could mean the elimination of several critical public health programs such as Ryan White AIDS, or Community Health Centers – both of which disproportionately serve black and Hispanic Americans.
- ! **Shortchanges Veterans.** The House GOP budget resolution requires the Veterans Affairs Committee to report legislation making \$14.6 billion in cuts in veterans' mandatory programs over the next 10 years, along with cuts discretionary veterans' programs by \$8.8 billion over 10 years below the Bush budget. There are more than 1 million Hispanic veterans living in the United States, and 2.6 million African-American military veterans.
- ! **Cuts Agriculture Programs & Food Stamps.** The House GOP budget resolution requires the Agriculture Committee to report legislation making \$18.6 billion in cuts in agriculture programs over the next 10 years. If this cut is spread across programs, this could threaten the Food Stamps programs with \$12 billion in cuts over 10 years, and more than half (53%) of Food Stamps recipients are African-American or Hispanic. (*Department of Agriculture, FY 2001*)
- ! **Only sets aside the \$400 billion contained in the Bush budget for prescription drugs, but then calls for \$169 billion in cuts that could harm Medicare and Medicaid.** Even though the nation's seniors groups have stated that the \$400 billion for Medicare prescription drugs in the President's budget is inadequate, the House GOP budget includes this amount. Moreover, the real benefit for seniors' health care could be far less than it appears. That is because the House GOP resolution requires cuts totaling \$169 billion from the committees that oversee Medicare or Medicaid. Cuts to these health programs, which are critical to seniors and provide nursing home assistance and prescription drug coverage for low-income seniors, would result in giving with one hand and taking away with another.